

**MINUTES of the
DELAWARE ECONOMIC & FINANCIAL ADVISORY COUNCIL**

Buena Vista – September 18, 2006

Attendance:

| Member | Present |
|------------------|----------------|
| H. Beckler | Yes |
| J. Bullock | Yes |
| R. Byrd | Yes |
| N. Cook | Yes |
| R. Cordrey | Yes |
| J. Davis | Yes |
| L. Davis Burnham | Yes |
| R. Davis | Yes |
| R. Derrickson | Yes |
| J. DiPinto | No |
| F. Dixon | No |
| B. Fasy | No |
| R. Gilligan | No |
| R. Glen | Yes |
| J. Horthy | Yes |

| Member | Present |
|--------------------|----------------|
| D. Hudson | No |
| S. Kaufman | No |
| R. Larson | Yes |
| K. Lewis | Yes |
| D. Link | Yes |
| A. Lubin | Yes |
| J. Markell | Yes |
| J. McKinney Cherry | No |
| C. Morgan | Yes |
| E. Ratledge | Yes |
| G. Simpson | No |
| T. Shopa | No |
| H. Smith-Windsor | No |
| D. Swayze | Yes |
| C. Wicks | Yes |

Members in Attendance: 20

Members Absent: 10

Others Present: M. Casey, T. Cook, J. Craig, D. Dilman, R. Geisenberger, D. Gregor, M. Jackson, S. Kubico, B. Motyl, S. Scola, A. Shepard-Visalli, and members of the press.

Opening Business: Mr. Byrd called the meeting to order at 3:05 p.m.

The minutes from the June meeting were approved as submitted.

Revenue Subcommittee:

Mr. Lewis presented the Revenue Subcommittee's report.

Economic Outlook

Mr. Craig reviewed Global Insight's September economic forecast for the U.S. The GDP forecast has been lowered from trend line growth of 3.0% to below trend line growth of 2.5%. This is attributed to a steeper slowdown in the housing sector than previously forecasted. The Blue Chip consensus of economic forecasts, however, maintains the trend line outlook. Because Global Insight's forecast appears to be a bit of an outlier vs. the Blue Chip, the Revenue Subcommittee decided not to lower any revenue growth rates, with the exception of Realty Transfer Tax.

Mr. Gregor presented charts that tracked the performance of major revenue categories vis-à-vis personal income.

General Fund Revenues - Fiscal Year 2007:

The Revenue Subcommittee recommended the following updates to June's estimates:

| Revenue Category | Jun-06 | Sep-06 | Change |
|------------------------------|---------|---------|--------|
| Realty Transfer Tax | 108.4 | 98.0 | (10.4) |
| Abandoned Property | 315.0 | 306.0 | (9.0) |
| Other Revenues | 89.6 | 97.3 | 7.7 |
| Gross Receipts Tax | 161.1 | 167.0 | 5.9 |
| Lottery | 259.3 | 254.5 | (4.8) |
| Bank Franchise Tax | 151.3 | 155.3 | 4.0 |
| Corporation Income Tax | 204.3 | 201.3 | (3.0) |
| Dividends and Interest | 16.1 | 18.0 | 1.9 |
| Insurance Taxes | 72.6 | 70.8 | (1.8) |
| Public Utility Tax | 51.0 | 49.2 | (1.8) |
| Hospital Board and Treatment | 62.2 | 60.7 | (1.5) |
| Uniform Commercial Code | 10.5 | 11.9 | 1.4 |
| Personal Income Tax | 1,222.5 | 1,223.6 | 1.1 |
| Cigarette Taxes | 91.0 | 90.0 | (1.0) |
| Corporate Fees | 66.1 | 65.5 | (0.6) |
| PIT Refunds | (160.1) | (160.6) | (0.5) |
| Estate Tax | 0.0 | 0.4 | 0.4 |

For a complete listing of FY 2007 estimates, see Table 1.

Discussion of FY 2007 Estimates:

Personal Income Tax: Mr. Lewis stated that there is no change in the growth rate from the June estimate.

Corporate Franchise Tax: Mr. Lewis stated that while there is no change in the growth rate from the June estimate, the current tracking is below the 5.0% estimated growth.

Corporate Income Tax: Mr. Lewis stated that the decrease reflected the over forecast of the FY2006 estimate in June. Mr. Lewis noted that there was some discussion in the Subcommittee to reduce the estimate. The Subcommittee decided to wait until the December meeting to see if revenue collections confirmed this line of reasoning.

Bank Franchise Tax: Mr. Lewis stated that the increase reflected the strong bank performance seen in the September 1st estimated payments. In response to a question from Mr. Markell, Mr. Glen noted that full impact of the new tax rate structure effective January 2007 will not be completely known until June 2008. Banks will have until then to change their election.

Abandoned Property: Mr. Lewis stated that, after accounting for legislative changes, the September forecast represents an increase of \$5.0 million vs. June. Legislation passed subsequent to DEFAC's June meeting transfers an additional \$14.0 from the General Fund to the Transportation Trust Fund. The combination of the revised outlook and the legislative change results in a net General Fund decrease of \$9.0 million.

Gross Receipts Tax: Mr. Lewis stated that continued strong performance in this category lead to the increase in the estimate. Mr. Lewis noted that oil prices have been responsible for much of the Gross Receipts Tax's strength.

Lottery: Mr. Cordrey presented information that indicated that competition from Chester would begin earlier than initially anticipated. With some predicting Chester on-line as early as January 2007, Mr. Cordrey contended that the assumption as to when competition would begin appeared somewhat unrealistic. While he declined to identify a specific start date for Chester slots competition, Mr. Cordrey suggested reducing the estimate by \$5.0 million to recognize this risk. The Council evaluated and accepted his suggestion.

Realty Transfer Tax: Mr. Lewis noted that this was a category in which the economic outlook and recent revenue tracking were in accordance. The reduction in the estimate reflects the downward expectations.

Other Revenue: Mr. Lewis stated that the increase reflected an accounting transfer that failed to occur in FY2006 and will be made in FY2007.

Updates in other categories were attributed to tracking changes.

FY2007 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,280.3 million as the revenue estimate for FY 2007.

The estimate represents a decrease of \$12.0 million from DEFAC's June's estimate. After adjusting for the legislative changes that occurred after the June meeting, however, the estimate actually represents an increase of \$3.6 million. Mr. Lewis noted that the nominal growth rate is 3.5% and that the adjusted growth rate is 6.2%.

General Fund Revenues - Fiscal Year 2008:

Mr. Lewis reported that the Subcommittee recommended the following updates to June's estimates:

| Revenue Category | Jun-06 | Sep-06 | Change |
|------------------------------|---------|---------|--------|
| Realty Transfer Tax | 108.4 | 93.0 | (15.4) |
| Abandoned Property | 315.0 | 306.0 | (9.0) |
| Gross Receipts Tax | 171.5 | 177.9 | 6.4 |
| Corporation Income Tax | 214.8 | 211.6 | (3.2) |
| Hospital Board and Treatment | 65.8 | 68.2 | 2.4 |
| Bank Franchise Tax | 141.1 | 138.9 | (2.2) |
| Insurance Taxes | 77.0 | 75.0 | (2.0) |
| Dividends and Interest | 17.1 | 19.1 | 2.0 |
| Lottery | 240.6 | 238.8 | (1.8) |
| Public Utility Tax | 52.8 | 51.4 | (1.4) |
| Other Revenues | 88.6 | 89.9 | 1.3 |
| Personal Income Tax | 1,303.8 | 1,305.0 | 1.2 |
| Cigarette Taxes | 93.0 | 92.0 | (1.0) |
| Corporate Fees | 70.1 | 69.5 | (0.6) |
| PIT Refunds | (168.2) | (168.7) | (0.5) |

For a complete listing of FY 2008 estimates, see Table 1.

Discussion of FY2008 Estimates:

Personal Income Tax: Mr. Lewis stated that the growth rate was unchanged from the June forecast and the tracking changes made in FY2007 were carried forward.

Bank Franchise Tax: Mr. Lewis noted that the full year tax change impact is reflected in this estimate. The decrease in the estimate from June reflects one bank leaving the state.

Lottery: The full year impact of Pennsylvania slots competition is reflected in the estimate.

Abandoned Property: The impact of transferring \$14.0 million to the Transportation Trust Fund is included.

Realty Transfer Tax: Mr. Lewis noted that the growth rate was lowered from 0.0% in June to -5.0%.

Mr. Lewis reported that other changes reflected tracking changes made in FY2007 and no other change in FY2008 growth rate assumptions.

FY 2008 Estimate Adopted:

A motion was made, seconded and approved to accept the Revenue Subcommittee's recommendation of \$3,390.8 million as the revenue estimate for FY2008.

The estimate represents a decrease of \$23.8 million from the June estimate. When you adjust for the legislative changes that occurred after the June meeting, the estimate actually represents a decrease of \$14.5 million. Mr. Lewis noted that the nominal growth rate is 3.2% and that the adjusted growth rate is 4.7%.

Mr. Gregor noted that, after adjusting for legislative changes, the forecast adopted by DEFAC was essentially unchanged from its June forecast. Over the FY2007-2008 forecast horizon, net revenues were now \$10.9 million lower than in June, a difference of less than 2/10ths of one percent.

Mr. Lewis presented the estimates for FY2009 – FY2011, noting that, consistent with the long-term economic outlook, they were trend line forecasts.

Transportation Trust Fund (TTF)

TTF -- Expenditures: Ms. Davis Burnham addressed the special Transportation Trust Fund expenditure meeting that occurred. She identified the scope of the

challenges and a timeline for addressing those challenges.

TTF -- Revenues: Mr. Motyl presented the Transportation Trust Fund's revenue forecast. He noted that high gas prices over the summer months were initially a cause for concern, but that recent moderation in prices has allowed the Revenue Subcommittee to maintain its outlook. There were no changes made from June's forecast. (See Table 2.)

FY2007 Estimates:

A motion was made, seconded, and approved to accept \$398.2 million as the FY2007 revenue estimate. This represents no change from the June estimate.

FY2008 Estimates:

A motion was made, seconded, and approved to accept \$404.1 million as the FY2008 revenue estimate. This represents no change from the June estimate.

FY2006 DEFAC Annual Report: Mr. Gregor noted that the FY2006 Annual Report has been made available to the DEFAC membership. He commented that it was a useful report card for DEFAC's performance in light of the evolution of economic forecasts over the course of FY2006.

Other Business:

Mr. Byrd announced the next two scheduled DEFAC meeting dates:

- December 18, 2006
- March 19, 2007

Ms. Davis Burnham noted that there would be a special meeting of the Expenditure

Subcommittee on December 1, 2006.

There being no further business, Mr. Byrd adjourned the meeting at 4:10 p.m.

Respectfully submitted,

James A. Craig

DEFAC Worksheet

Table 1.

| September-06 DEFAC Meeting | | FY 2006 | FY 2006 | FY 2006 | June DEFAC | FY 2007 | | | | |
|-------------------------------|------------------------------|-----------------|----------------------------|------------------------------|-------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|
| Revenue Category | | DEFAC Jun-06 | A Actual Collections | Variance Actual - June | Growth Rate for FY 2007 | B DEFAC Jun-06 | C % B over A | D DEFAC Sep-06 | E % D over A | F \$ Increase D over B |
| 1 | Personal Income Tax | 1,162.2 | 1,163.3 | 1.1 | 5.2% | 1,222.5 | 5.1% | 1,223.6 | 5.2% | 1.1 |
| | Less: Refunds | (147.5) | (147.9) | (0.4) | 8.5% | (160.1) | 8.2% | (160.6) | 8.6% | (0.5) |
| | PIT Less Refunds | 1,014.7 | 1,015.4 | 0.7 | 4.7% | 1,062.4 | 4.6% | 1,063.0 | 4.7% | 0.6 |
| 2 | Franchise Tax | 526.6 | 526.4 | (0.2) | 5.0% | 552.9 | 5.0% | 552.9 | 5.0% | 0.0 |
| | Less: Refunds | (13.0) | (14.1) | (1.1) | 0.0% | (13.0) | -7.9% | (13.0) | -7.9% | 0.0 |
| | Franchise Tax Less Refunds | 513.6 | 512.2 | (1.4) | 5.1% | 539.9 | 5.4% | 539.9 | 5.4% | 0.0 |
| 3 | Business Entity Fees | 62.4 | 61.8 | (0.6) | 5.9% | 66.1 | 7.0% | 65.5 | 6.0% | (0.6) |
| 4 | Limited Partnerships & LLC's | 77.4 | 76.5 | (0.9) | 15.0% | 89.0 | 16.4% | 89.0 | 16.4% | 0.0 |
| 4 | Uniform Commercial Code | 14.5 | 14.7 | 0.2 | -27.6% | 10.5 | -28.4% | 11.9 | -18.8% | 1.4 |
| 5 | Corporation Income Tax | 187.5 | 182.7 | (4.8) | 9.0% | 204.3 | 11.8% | 201.3 | 10.2% | (3.0) |
| | Less: Refunds | (22.0) | (20.2) | 1.8 | 59.1% | (35.0) | 73.6% | (35.0) | 73.6% | 0.0 |
| | CIT Less Refunds | 165.5 | 162.6 | (2.9) | 2.3% | 169.3 | 4.1% | 166.3 | 2.3% | (3.0) |
| 6 | Bank Franchise Tax | 132.8 | 132.7 | (0.1) | 13.9% | 151.3 | 14.0% | 155.3 | 17.0% | 4.0 |
| 7 | Gross Receipts Tax | 177.0 | 179.3 | 2.3 | -9.0% | 161.1 | -10.1% | 167.0 | -6.8% | 5.9 |
| 8 | Lottery | 247.8 | 248.8 | 1.0 | 4.6% | 259.3 | 4.2% | 254.5 | 2.3% | (4.8) |
| 9 | Abandoned Property | 320.0 | 325.1 | 5.1 | -1.6% | 315.0 | -3.1% | 306.0 | -5.9% | (9.0) |
| 10 | Hospital Board and Treatment | 58.9 | 59.9 | 1.0 | 5.6% | 62.2 | 3.8% | 60.7 | 1.3% | (1.5) |
| 11 | Dividends and Interest | 13.4 | 13.5 | 0.1 | 20.1% | 16.1 | 19.3% | 18.0 | 33.4% | 1.9 |
| 12 | Realty Transfer Tax | 115.5 | 116.9 | 1.4 | -6.1% | 108.4 | -7.3% | 98.0 | -16.1% | (10.4) |
| 13 | Estate Tax | 4.9 | 4.9 | (0.0) | -100.0% | 0.0 | -100.0% | 0.4 | -91.8% | 0.4 |
| 14 | Insurance Taxes | 68.5 | 66.8 | (1.7) | 6.0% | 72.6 | 8.7% | 70.8 | 6.0% | (1.8) |
| 15 | Public Utility Tax | 39.2 | 39.4 | 0.2 | 30.1% | 51.0 | 29.6% | 49.2 | 25.0% | (1.8) |
| 16 | Cigarette Taxes | 87.0 | 88.5 | 1.5 | 4.6% | 91.0 | 2.8% | 90.0 | 1.7% | (1.0) |
| 17 | Other Revenues | 82.5 | 72.1 | (10.4) | 8.6% | 89.6 | 24.3% | 97.3 | 35.0% | 7.7 |
| 18 | Less: Other Refunds | (22.1) | (21.0) | 1.1 | 1.8% | (22.5) | 7.1% | (22.5) | 7.1% | 0.0 |
| | Net Receipts | 3,173.5 | 3,169.9 | (3.6) | 3.7% | 3,292.3 | 3.9% | 3,280.3 | 3.5% | (12.0) |

Impact of legislative changes adopted after June DEFAC:

(\$15.6)

Net September 2006 DEFAC updates

\$3.6

DEFAC Worksheet

Table 1.

| September-06 DEFAC Meeting | | FY 2008 | | | | | FY 2009 | | | | |
|-------------------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|
| | Revenue Category | G DEFAC Jun-06 | H % G over B | I DEFAC Sep-06 | J % I over D | K \$ Increase I over G | L DEFAC Jun-06 | M % L over G | N DEFAC Sep-06 | O % N over I | P \$ Increase N over L |
| 1 | Personal Income Tax | 1,303.8 | 6.7% | 1,305.0 | 6.7% | 1.2 | NA | NA | 1,398.2 | 7.1% | NA |
| | Less: Refunds | (168.2) | 5.1% | (168.7) | 5.0% | (0.5) | NA | NA | (177.1) | 5.0% | NA |
| | PIT Less Refunds | 1,135.6 | 6.9% | 1,136.3 | 6.9% | 0.7 | NA | NA | 1,221.1 | 7.5% | NA |
| 2 | Franchise Tax | 580.6 | 5.0% | 580.6 | 5.0% | 0.0 | NA | NA | 609.6 | 5.0% | NA |
| | Less: Refunds | (13.0) | 0.0% | (13.0) | 0.0% | 0.0 | NA | NA | (13.0) | 0.0% | NA |
| | Franchise Tax Less Refunds | 567.6 | 5.1% | 567.6 | 5.1% | 0.0 | NA | NA | 596.6 | 5.1% | NA |
| 3 | Business Entity Fees | 70.1 | 6.1% | 69.5 | 6.1% | (0.6) | NA | NA | 73.6 | 5.9% | NA |
| 4 | Limited Partnerships & LLC's | 99.7 | 12.0% | 99.7 | 12.0% | 0.0 | NA | NA | 111.7 | 12.0% | NA |
| 4 | Uniform Commercial Code | 10.8 | 2.9% | 10.8 | -9.2% | 0.0 | NA | NA | 11.1 | 2.8% | NA |
| 5 | Corporation Income Tax | 214.8 | 5.1% | 211.6 | 5.1% | (3.2) | NA | NA | 222.0 | 4.9% | NA |
| | Less: Refunds | (32.5) | -7.1% | (32.5) | -7.1% | 0.0 | NA | NA | (32.5) | 0.0% | NA |
| | CIT Less Refunds | 182.3 | 7.7% | 179.1 | 7.7% | (3.2) | NA | NA | 189.5 | 5.8% | NA |
| 6 | Bank Franchise Tax | 141.1 | -6.7% | 138.9 | -10.6% | (2.2) | NA | NA | 146.0 | 5.1% | NA |
| 7 | Gross Receipts Tax | 171.5 | 6.5% | 177.9 | 6.5% | 6.4 | NA | NA | 189.4 | 6.5% | NA |
| 8 | Lottery | 240.6 | -7.2% | 238.8 | -6.2% | (1.8) | NA | NA | 249.0 | 4.3% | NA |
| 9 | Abandoned Property | 315.0 | 0.0% | 306.0 | 0.0% | (9.0) | NA | NA | 306.0 | 0.0% | NA |
| 10 | Hospital Board and Treatment | 65.8 | 5.8% | 68.2 | 12.4% | 2.4 | NA | NA | 74.9 | 9.8% | NA |
| 11 | Dividends and Interest | 17.1 | 6.2% | 19.1 | 6.1% | 2.0 | NA | NA | 19.5 | 2.1% | NA |
| 12 | Realty Transfer Tax | 108.4 | 0.0% | 93.0 | -5.1% | (15.4) | NA | NA | 96.3 | 3.5% | NA |
| 13 | Estate Tax | 0.0 | NA | 0.0 | -100.0% | 0.0 | NA | NA | 0.0 | NA | NA |
| 14 | Insurance Taxes | 77.0 | 6.1% | 75.0 | 5.9% | (2.0) | NA | NA | 79.9 | 6.5% | NA |
| 15 | Public Utility Tax | 52.8 | 3.5% | 51.4 | 4.5% | (1.4) | NA | NA | 54.0 | 5.1% | NA |
| 16 | Cigarette Taxes | 93.0 | 2.2% | 92.0 | 2.2% | (1.0) | NA | NA | 94.0 | 2.2% | NA |
| 17 | Other Revenues | 88.6 | -1.1% | 89.9 | -7.6% | 1.3 | NA | NA | 92.1 | 2.4% | NA |
| 18 | Less: Other Refunds | (22.4) | -0.4% | (22.4) | -0.4% | 0.0 | NA | NA | (22.4) | 0.0% | NA |
| | Net Receipts | 3,414.6 | 3.7% | 3,390.8 | 3.4% | (23.8) | NA | NA | 3,582.3 | 5.6% | NA |

FY 2008 Debt Limit: \$169.5

Impact of legislative changes adopted after June DEFAC: (\$9.3)

Net September 2006 DEFAC updates (\$14.5)

DEFAC Worksheet

Table 1.

| September-06 DEFAC Meeting | | FY 2010 | | | | | FY 2011 | | | | |
|-------------------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|----------------------|--------------------|----------------------|--------------------|------------------------------|
| | Revenue Category | Q DEFAC Jun-06 | R % Q over L | S DEFAC Sep-06 | T % S over N | U \$ Increase S over Q | V DEFAC Jun-06 | W % V over Q | X DEFAC Sep-06 | Y % X over S | Z \$ Increase X over V |
| 1 | Personal Income Tax | NA | NA | 1,496.1 | 7.0% | NA | NA | NA | 1,600.8 | 7.0% | NA |
| | Less: Refunds | NA | NA | (186.0) | 5.0% | NA | NA | NA | (195.3) | 5.0% | NA |
| | PIT Less Refunds | NA | NA | 1,310.1 | 7.3% | NA | NA | NA | 1,405.5 | 7.3% | NA |
| 2 | Franchise Tax | NA | NA | 640.1 | 5.0% | NA | NA | NA | 672.1 | 5.0% | NA |
| | Less: Refunds | NA | NA | (13.0) | 0.0% | NA | NA | NA | (13.0) | 0.0% | NA |
| | Franchise Tax Less Refunds | NA | NA | 627.1 | 5.1% | NA | NA | NA | 659.1 | 5.1% | NA |
| 3 | Business Entity Fees | NA | NA | 78.1 | 6.1% | NA | NA | NA | 82.7 | 5.9% | NA |
| 4 | Limited Partnerships & LLC's | NA | NA | 125.1 | 12.0% | NA | NA | NA | 140.1 | 12.0% | NA |
| 4 | Uniform Commercial Code | NA | NA | 11.4 | 2.7% | NA | NA | NA | 11.8 | 3.5% | NA |
| 5 | Corporation Income Tax | NA | NA | 234.2 | 5.5% | NA | NA | NA | 247.1 | 5.5% | NA |
| | Less: Refunds | NA | NA | (34.1) | 4.9% | NA | NA | NA | (35.8) | 5.0% | NA |
| | CIT Less Refunds | NA | NA | 200.1 | 5.6% | NA | NA | NA | 211.3 | 5.6% | NA |
| 6 | Bank Franchise Tax | NA | NA | 153.3 | 5.0% | NA | NA | NA | 161.0 | 5.0% | NA |
| 7 | Gross Receipts Tax | NA | NA | 201.7 | 6.5% | NA | NA | NA | 214.8 | 6.5% | NA |
| 8 | Lottery | NA | NA | 259.0 | 4.0% | NA | NA | NA | 269.4 | 4.0% | NA |
| 9 | Abandoned Property | NA | NA | 306.0 | 0.0% | NA | NA | NA | 306.0 | 0.0% | NA |
| 10 | Hospital Board and Treatment | NA | NA | 78.4 | 4.7% | NA | NA | NA | 81.9 | 4.5% | NA |
| 11 | Dividends and Interest | NA | NA | 20.0 | 2.6% | NA | NA | NA | 20.2 | 1.0% | NA |
| 12 | Realty Transfer Tax | NA | NA | 101.5 | 5.4% | NA | NA | NA | 107.1 | 5.5% | NA |
| 13 | Estate Tax | NA | NA | 0.0 | NA | NA | NA | NA | NA | NA | NA |
| 14 | Insurance Taxes | NA | NA | 84.7 | 6.0% | NA | NA | NA | 89.8 | 6.0% | NA |
| 15 | Public Utility Tax | NA | NA | 56.7 | 5.0% | NA | NA | NA | 59.5 | 4.9% | NA |
| 16 | Cigarette Taxes | NA | NA | 96.1 | 2.2% | NA | NA | NA | 98.2 | 2.2% | NA |
| 17 | Other Revenues | NA | NA | 95.5 | 3.7% | NA | NA | NA | 101.2 | 6.0% | NA |
| 18 | Less: Other Refunds | NA | NA | (22.9) | 2.2% | NA | NA | NA | (23.4) | 2.2% | NA |
| | Net Receipts | NA | NA | 3,781.9 | 5.6% | NA | NA | NA | 3,996.2 | 5.7% | NA |

Table 2.

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues
Revenue Projections

| | Fiscal 2006 | | | Fiscal 2007 | | | Fiscal 2008 | | | Fiscal 2009 | | |
|--|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------------|-----------------|-----------------|
| | FY 05 Actual | FY 06 Actual | % Chg. FY 05 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 06 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 07 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 08 |
| <u>TOLL ROAD REVENUES:</u> | | | | | | | | | | | | |
| I95 Newark Plaza | \$57.9 | \$85.0 | 46.8% | \$98.0 | \$98.0 | 15.3% | \$100.0 | \$100.0 | 2.0% | \$101.0 | \$101.0 | 1.0% |
| Route 1 Toll Road | 30.2 | 31.5 | 4.3% | 33.5 | 33.5 | 6.3% | 34.0 | 34.0 | 1.5% | \$35.5 | \$35.5 | 4.4% |
| Concessions | <u>2.8</u> | <u>2.7</u> | <u>-3.6%</u> | <u>2.7</u> | <u>2.7</u> | <u>0.0%</u> | <u>2.7</u> | <u>2.7</u> | <u>0.0%</u> | <u>2.7</u> | <u>2.7</u> | <u>0.0%</u> |
| Total Toll Road Revenues | 90.9 | 119.2 | 31.1% | 134.2 | 134.2 | 12.6% | 136.7 | 136.7 | 1.9% | 139.2 | 139.2 | 1.8% |
| <u>MOTOR FUEL TAX ADMIN.</u> | | | | | | | | | | | | |
| Motor Fuel Tax | 113.7 | 120.1 | 5.6% | 120.1 | 120.1 | 0.0% | 121.1 | 121.1 | 0.8% | 122.1 | 122.1 | 0.8% |
| Motor Carrier Fees | <u>4.2</u> | <u>3.6</u> | <u>-14.3%</u> | <u>3.9</u> | <u>3.9</u> | <u>8.3%</u> | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> |
| Total MFTA Revenues | 117.9 | 123.7 | 4.9% | 124.0 | 124.0 | 0.2% | 125.0 | 125.0 | 0.8% | 126.0 | 126.0 | 0.8% |
| <u>DIVISION OF MOTOR VEHICLES</u> | | | | | | | | | | | | |
| Motor Vehicle Document Fees | 65.7 | 64.9 | -1.2% | 66.3 | 66.3 | 2.2% | 68.2 | 68.2 | 2.9% | 70.1 | 70.1 | 2.8% |
| Motor Vehicle Registration Fees | 30.2 | 30.2 | 0.0% | 31.2 | 31.2 | 3.3% | 31.8 | 31.8 | 1.9% | 32.4 | 32.4 | 1.9% |
| Other DMV Revenues | <u>20.3</u> | <u>20.3</u> | <u>0.0%</u> | <u>22.5</u> | <u>22.5</u> | <u>10.8%</u> | <u>23.0</u> | <u>23.0</u> | <u>2.2%</u> | <u>23.5</u> | <u>23.5</u> | <u>2.2%</u> |
| Total DMV Revenues | <u>116.2</u> | <u>115.4</u> | <u>-0.7%</u> | <u>120.0</u> | <u>120.0</u> | <u>4.0%</u> | <u>123.0</u> | <u>123.0</u> | <u>2.5%</u> | <u>126.0</u> | <u>126.0</u> | <u>2.4%</u> |
| <u>OTHER TRANSPORTATION REV.</u> | | | | | | | | | | | | |
| Other Transportation Rev | 7.6 | 13.0 | 71.1% | 12.5 | 12.5 | -3.8% | 12.4 | 12.4 | -0.8% | 12.8 | 12.8 | 3.2% |
| Investment Income(Net) | <u>5.2</u> | <u>7.9</u> | <u>51.9%</u> | <u>7.5</u> | <u>7.5</u> | <u>-5.1%</u> | <u>7.0</u> | <u>7.0</u> | <u>-6.7%</u> | <u>7.5</u> | <u>7.5</u> | <u>7.1%</u> |
| Total Other Transp. Revenue | <u>12.8</u> | <u>20.9</u> | <u>63.3%</u> | <u>20.0</u> | <u>20.0</u> | <u>-4.3%</u> | <u>19.4</u> | <u>19.4</u> | <u>-3.0%</u> | <u>20.3</u> | <u>20.3</u> | <u>4.6%</u> |
| GRAND TOTAL | <u>\$337.8</u> | <u>\$379.2</u> | <u>12.3%</u> | <u>\$398.2</u> | <u>\$398.2</u> | <u>5.0%</u> | <u>\$404.1</u> | <u>\$404.1</u> | <u>1.5%</u> | <u>\$411.5</u> | <u>\$411.5</u> | <u>1.8%</u> |
| | | | | | | | | | | | | |
| | Fiscal 2010 | | | Fiscal 2011 | | | Fiscal 2012 | | | Fiscal 2013 | | |
| | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 09 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 10 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 11 | 6/19/2006 Approved | FY 07 Recomm | % Chg. FY 12 |
| <u>TOLL ROAD REVENUES:</u> | | | | | | | | | | | | |
| I95 Newark Plaza | \$101.9 | \$101.9 | 0.9% | \$102.7 | \$102.7 | 0.8% | \$104.7 | \$104.7 | 1.9% | \$106.8 | \$106.8 | 2.0% |
| Route 1 Toll Road | 36.5 | 36.5 | 2.8% | \$37.5 | \$37.5 | 2.7% | \$38.5 | \$38.5 | 2.7% | \$39.5 | \$39.5 | 2.6% |
| Concessions | <u>2.7</u> | <u>2.7</u> | <u>0.0%</u> | <u>2.7</u> | <u>2.7</u> | <u>0.0%</u> | <u>2.8</u> | <u>2.8</u> | <u>3.7%</u> | <u>2.8</u> | <u>2.8</u> | <u>0.0%</u> |
| Total Toll Road Revenues | 141.1 | 141.1 | 1.4% | 142.9 | 142.9 | 1.3% | 146.0 | 146.0 | 2.2% | 149.1 | 149.1 | 2.1% |
| <u>MOTOR FUEL TAX ADMIN.</u> | | | | | | | | | | | | |
| Motor Fuel Tax | 123.1 | 123.1 | 0.8% | 124.1 | 124.1 | 0.8% | 125.1 | 125.1 | 0.8% | 126.1 | 126.1 | 0.8% |
| Motor Carrier Fees | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> | <u>3.9</u> | <u>3.9</u> | <u>0.0%</u> |
| Total MFTA Revenues | 127.0 | 127.0 | 0.8% | 128.0 | 128.0 | 0.8% | 129.0 | 129.0 | 0.8% | 130.0 | 130.0 | 0.8% |
| <u>DIVISION OF MOTOR VEHICLES</u> | | | | | | | | | | | | |
| Motor Vehicle Document Fees | 72.0 | 72.0 | 2.7% | 73.9 | 73.9 | 2.6% | 77.4 | 77.4 | 4.7% | 81.0 | 81.0 | 4.7% |
| Motor Vehicle Registration Fees | 33.0 | 33.0 | 1.9% | 33.6 | 33.6 | 1.8% | 33.6 | 33.6 | 0.0% | 34.1 | 34.1 | 1.5% |
| Other DMV Revenues | <u>24.0</u> | <u>24.0</u> | <u>2.1%</u> | <u>24.5</u> | <u>24.5</u> | <u>2.1%</u> | <u>25.0</u> | <u>25.0</u> | <u>2.0%</u> | <u>25.5</u> | <u>25.5</u> | <u>2.0%</u> |
| Total DMV Revenues | <u>129.0</u> | <u>129.0</u> | <u>2.4%</u> | <u>132.0</u> | <u>132.0</u> | <u>2.3%</u> | <u>136.0</u> | <u>136.0</u> | <u>3.0%</u> | <u>140.6</u> | <u>140.6</u> | <u>3.4%</u> |
| <u>OTHER TRANSPORTATION REV.</u> | | | | | | | | | | | | |
| Other Transportation Rev | 12.8 | 12.8 | 0.0% | 13.0 | 13.0 | 1.6% | 13.1 | 13.1 | 0.8% | 13.2 | 13.2 | 0.8% |
| Investment Income(Net) | <u>7.0</u> | <u>7.0</u> | <u>-6.7%</u> | <u>7.5</u> | <u>7.5</u> | <u>7.1%</u> | <u>7.5</u> | <u>7.5</u> | <u>0.0%</u> | <u>7.5</u> | <u>7.5</u> | <u>0.0%</u> |
| Total Other Transp. Revenue | <u>19.8</u> | <u>19.8</u> | <u>-2.5%</u> | <u>20.5</u> | <u>20.5</u> | <u>3.5%</u> | <u>20.6</u> | <u>20.6</u> | <u>0.5%</u> | <u>20.7</u> | <u>20.7</u> | <u>0.5%</u> |
| GRAND TOTAL | <u>\$416.9</u> | <u>\$416.9</u> | <u>1.3%</u> | <u>\$423.4</u> | <u>\$423.4</u> | <u>1.6%</u> | <u>\$431.6</u> | <u>\$431.6</u> | <u>1.9%</u> | <u>\$440.4</u> | <u>\$440.4</u> | <u>2.0%</u> |